



Creating Social Value in our Supply Chain:

Engaging with Micro, Small & Medium Enterprises (MSMEs)

Working with MSMEs is integral to our delivery strategies and we depend on their regional capabilities. We are proud that the sub-contracting opportunities we provide to local businesses promote employment, economic growth and regional development. We actively measure our engagement with MSMEs and have set KPIs as part of our Supply Chain Sustainability strategy.

Telent operate a category management approach to Procurement, based on whole-market consideration and supplier relationship management. We uphold the principles of equal treatment, non-discrimination, proportionality and transparency to enable maximum MSME participation in our supply chain.

Collaboration drives the selection and management of our suppliers. By closely aligning with customer strategies and partnering with innovative, risk and performance managed sub-contractors, from MSMEs to multi-national organisations, we can be confident of delivering a right first time, sustainable advantage.

Engagement in FY21



Fair Share

£142m spent with MSMEs which was 65% of suppliers and 50% of expenditure



Fair Payment

87% of MSME's contracted to **30-day** payment terms or less



Fair Terms

We are committed to removing unnecessary barriers for MSMEs

Our MSME Action Plan

The fundamental objective of Telent's sustainability strategy is to achieve maximum social value on a whole-life basis. This is by generating benefits not only for our organisation, but also society and the economy, whilst minimising damage to the environment.

To deliver this ambition, we have recently launched a 2030 Sustainability Strategy based on the three fundamental principles of sustainability and the United Nations Sustainable Development Goals (SDG's). This uses various metrics and KPI's to ensure that we deliver meaningful and measurable long-term results.

We recognise the significance of MSMEs in realising this agenda, in terms of their potential for socio-economic development through local job creation, market growth and innovation.

Fair share

In FY21, our direct expenditure with MSMEs around the country was over **£142m**. This accounted for 65% of our suppliers and 50% of our procurement expenditure.

Fair payment

To ensure fair business relationships, our customer payment terms always flow-down to our subcontractors. Across all supplier contracts, payment terms range from immediate to 60 days.

In FY21, 87% of the MSMEs we worked with were contracted to 30-day terms or less and our average payment performance was **25 days**. We have also committed to signing the Prompt Payment Code (PPC) to work towards paying 100% of SME's in 30 days.

Fair Terms

To enable maximum MSME participation in our supply chain, our expectations and contracts for are fair, balanced and reflect individual scopes of work. We are also committed to process simplicity to reduce disproportionate administration.

We have invested heavily in new technologies to facilitate this, whilst maintaining the highest levels of due diligence and risk management. In January 2021, we launched our new digital supplier management system to further streamline the modular onboarding and pre-qualification process. This ensures that all criteria and assessments are always relevant and proportional to contract value and associated risk.

We also provide commercial coaching, training and guidance to support suppliers through contract criteria and industry best practice.

Social Value & Sustainability

As part of our aim to increase economic, social and environmental value through our supply chain, we take responsibility for the sustainability performance of our suppliers. Our MSME Action Plan focusses on providing comprehensive resources and information to:

- Provide greater employment, skills and business building opportunities
- Support skills development initiatives and encourage talent into our sectors
- Promote Equality, Diversity and Inclusion (EDI)
- Improve the environment (air quality, CO2e)

All MSME partners are offered a range of resources including training materials, guidance, practical support and the opportunity to share best practice. We hold interactive supplier webinars to facilitate peer collaboration on topics including:

- Equality, Diversity and Inclusion (EDI)
- Strategic Labour Needs & Training (SLNT)
- GDPR
- Modern Slavery
- STEM Education
- Quality & Environmental Management Systems

For more information, please contact procurement@telent.com for the attention of our Responsible Procurement & Sustainability Manager.